

Message Text

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ACTION NEA-12

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R 191515Z APR 74

FM AMEMBASSY BEIRUT

TO AMEMBASSY JIDDA

SECSTATE WASHDC 7470

S E C R E T SECTION 1 OF 2 BEIRUT 4602

E.O. 11652: GDS

TAGS: SA, LE, EAID, PDEV

SUBJECT: SAUDI SUPPORT FOR AMERICAN UNIVERSITY OF BEIRUT

REFS: A. JIDDA 1891, B. STATE 078665

SUMMARY: EMBASSY CONSIDERS AUB TO BE EXTREMELY VALUABLE UNITED STATES ASSET THAT STILL HAS MAJOR INFLUENCE IN AREA FAVORABLE TO OUR INTERESTS. GIVEN RAPID EXPANSION AND INCREASING IMPORTANCE OF THIS AREA OF WORLD, AND CONSEQUENT STEPPED-UP COMPETITION WITH US BY SOVS, FRENCH AND OTHERS, IN CULTURAL AS WELL AS OTHER FIELDS, WE BELIEVE IT INCUMBENT UPON USG TO SEE THAT AUB CONTINUES RECEIVE NECESSARY FINANCIAL SUPPORT. AT SAME TIME, WE BELIEVE IT EXTREMELY IMPORTANT THAT RECENT SLIPPAGE OF AUB'S PRESTIGE IN AREA AND MORALE OF ITS FACULTY AND ADMINISTRATION BE REVERSED IF AUB IS TO PLAY ROLE IT SHOULD IN FUTURE. WE BELIEVE THAT IT MAY BE POSSIBLE RESOLVE BOTH PROBLEMS BY MAJOR REVIEW OF AUB'S OPERATIONS, OBJECTIVES AND RELATIONSHIP TO AREA NEEDS, AND THAT SUCH REVIEW SHOULD TAKE PLACE AS SOON AS POSSIBLE. AID-SPONSORED HARRINGTON REPORT COULD PROVIDE POINT OF DEPARTURE. PENDING SUCH REVIEW, WE BELIEVE IT WOULD BE PREFERABLE NOT RPT NOT APPROACH SAUDIS OR OTHER POTENTIAL ARAB GOVT DONORS, ALTHOUGH WE BELIEVE IT IS ESSENTIAL THAT AID CONTINUE SUPPORT REQUIRED KEEP UNIVERSITY AFLOAT. END SUMMARY.

1. FOR YEARS AUB HAS BEEN PLAGUED BY STEADILY WORSENING FINANCIAL PICTURE AS INCOME HAS REMAINED RELATIVELY STATIC WHILE COSTS

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HAVE STEADILY RISEN. AUB HAS SURVIVED BY BALANCING SUBSIDY FROM

AID SECTION 214 WHICH HAS REACHED ANNUAL LEVEL OF \$6 MILLION. WHILE EMBASSY IS IN FAVOR CONTINUATION SUCH SUPPORT AT HIGHEST POSSIBLE LEVEL IT IS INCREASINGLY OBVIOUS THAT WITH THE SINKING DOLLAR AND WORLDWIDE SOARING COST OF EDUCATION, AUB CAN SIMPLY NOT EXPECT TO HAVE ITS DEFICIT COVERED FROM SHRINKING AID APPROPRIATION. IDEALLY, TO MAINTAIN ITS AMERICAN ORIENTATION IN PUREST FORM, NEEDED MONEY SHOULD COME FROM AMERICAN BUSINESS FOUNDATION OR PRIVATE SOURCES. OVER YEARS AUB HAS NEVER ATTRACTED SUCH DONATIONS ON A LARGE ENOUGH SCALE TO REALLY COUNT AND THERE IS NOTHING TO INDICATE THIS SITUATION WILL CHANGE. NEXT MOST LOGICAL PLACE TO TURN WOULD APPEAR TO BE GOVTS, BUSINESSES AND INDIVIDUALS IN REGION.

2. IN PRINCIPLE, EMBASSY FAVORS APPROACH TO ARAB GOVTS FOR ASSISTANCE TO AUB BUT SUGGESTS THAT NOW IS NOT OPTIMUM TIME TO APPROACH SAUDIS. MOST IMMEDIATE REASON IS FACT AUB STUDENTS, LED BY A STUDENT COUNCIL DOMINATED BY THE TYPE OF LEBANESE LEFTIST, RADICAL AND PALESTINIAN ELEMENTS THAT KING FAISAL FEARS AT AUB, HAVE BEEN ON STRIKE AND IN TOTAL OCCUPATION OF CAMPUS SINCE MID-MARCH. BELIE IT WOULD BE EMBARRASSING AS WELL AS IMPOSSIBLE TO DISABUSE SAUDIS OF THEIR DISTRUST FOR AUB AS LONG AS SUCH ELEMENTS, ALBEIT A SMALL MINORITY OF TOTAL STUDENT BODY, HAVE BEEN ABLE TO BRING ENTIRE UNIVERSITY, INCLUDING ITS ADMINISTRATIVE MACHINERY, TO AN ALMOST COMPLETE HALT. (QUITE APART FROM NEGATIVE EFFECT ON SAUDIS, THIS RECURRING PROBLEM WILL OBVIOUSLY HAVE TO BE SOLVED IF AUB IS TO SURVIVE REGARDLESS OF STATE OF ITS FINANCING.)

3. SECOND REASON FOR ADVISING AT LEAST TEMPORARY DELAY IS FACT THAT FIVE-MAN AID-SPONSORED STUDY TEAM LED BY DR. FRED HARRINGTON, EX-PRESIDENT WISCONSIN UNIVERSITY, HAS JUST COMPLETED THREE-WEEK STAY IN BEIRUT TO EXAMINE ALL ASPECTS AUB FINANCIAL PROBLEM INCLUDING LONGER-TERM FUTURE OF UNIVERSITY. STUDY HAD BEEN PLANNED FOR SOME TIME AND NOT DIRECTLY CONNECTED WITH CURRENT CRISES. TEAM HAD EXTREME DIFFICULTY CONDUCTING STUDY WHILE CAMPUS OCCUPIED AND MANY RECORDS AND DOCUMENTS UNAVAILABLE. STUDY COMPLETED IN DRAFT, HOWEVER, AND TEAM HAS JUST LEFT BEIRUT. BELIEVE ANY FUTURE PLANNING FOR FINANCIAL SUPPORT OF AUB BY SAUDIS, AID OR OTHER SOURCES WOULD BE GREATLY BOLSTERED BY REFERENCE TO FINAL RESULTS OF STUDY WHICH NOT YET

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ACTION NEA-12

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4. FINALLY, PITCH TO SAUDIS AND OTHER PROSPECTIVE ARAB DONORS MUCH MORE LIKELY SUCCEED ONCE AUB HAS PUT ITS OWN ACADEMIC HOUSE IN ORDER BY RETHINKING AND REDEFINING ITS OWN ROLE IN REGION AND OFFERING PROGRAMS AND SERVICES WHICH WILL BE TRULY ATTRACTIVE TO POTENTIAL SUPPORTERS. WE BELIEVE THAT AUB CAN BE OF CONSIDERABLE VALUE IN ASSISTING SAUDI ARABIA AND OTHER ARAB COUNTRIES RAIN MANPOWER ESSENTIAL FOR TECHNOLOGICAL, INDUSTRIAL, ECONOMIC BOOM WHICH LIES AHEAD. ENGINEERING, MEDICINE AND PUBLIC HEALTH, AGRICULTURE, GEOLOGY, PEDAGOGY AND ENGLISH-LANGUAGE TRAINING ARE SOME OF AREAS WHERE AUB COULD BE OF CONSIDERABLE ASSISTANCE, OPERATING REGIONALLY ON BASIS OF OUTLOOK ROUGHLY SIMILAR TO THAT OF LAND-GRANT COLLEGES AND OTHER UNIVERSITIES IN UNITED STATES WHICH PROVIDE PRACTICAL SERVICES AND TRAINING AS WELL AS TRADITIONAL LIBERAL ARTS EDUCATION. THERE HAVE BEEN ISOLATED INSTANCES OF THIS BEING DONE BY AUB BUT UNIVERSITY ADMINISTRATION AND BOARD OF TRUSTEES HAVE NOT THUS FAR GIVEN THIS APPROACH TO FITTING INTO FUTURE OF AREA SUFFICIENT ATTENTION. ONE EXAMPLE OF THIS HAS BEEN THE RECENT INTERNAL STUDY BY AUB MENTIONED IN PARA 3 OF STATE 078665 WHICH CONCENTRATES ON RECOMMENDATIONS FOR BUDGET-INSPIRED PRUNING OF DEPARTMENTS SUCH AS GEOLOGY, PUBLIC HEALTH, AND IT IS RUMORED EVEN AGRICULTURE, WHICH ARE ADMITTEDLY EXPENSIVE AND NOT OVERLY ATTRACTIVE TO PRIVATE STUDENTS, BUT WHICH MANY OUTSIDE OBSERVERS FEEL SHOULD BE EMPHASIZED BECAUSE SUCH OFFERINGS BOTH NEEDED AND OTHERWISE UNAVAILABLE IN REGION. ALSO, ANY DE-EMPHASIS OF GRADUATE PROGRAMS WOULD RENDER AUB LESS ATTRACTIVE TO POTENTIAL AND PRESENT DONORS, AS WELL AS TO AID-SCHOLARSHIP RECIPIENTS. OVER LAST SEVERAL YEARS, UNDERGRADUATE FACILITIES HAVE SPRUNG UP

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IN ALL BUT FEW COUNTRIES IN REGION. AUB IS IN AN EXCELLENT POSITION TO TRAIN STAFF FOR AND OTHERWISE ASSIST THESE NEW INSTITUTIONS

PENDING THE DAY WHEN MASTERS OR EVEN PHDS ARE AVAILABLE IN
DHAHRAN AND AMMAN.

5. OUR UNDERSTANDING IS SAME AS THAT STATED REF B, NAMELY
THAT AUB IS NOT IN IMMINENT RPT IMMINENT DANGER OF FINANCIAL
COLLAPSE. WE BELIEVE IT EXTREMELY IMPORTANT THAT USG, THROUGH
AID SECTION 214 OR OTHER MEANS, ENSURE THAT AUB ABLE OPERATE
WITHOUT MAJOR SURGERY FOR AT LEAST NEXT ACADEMIC YEAR, PERHAPS
A BIT LONGER. BELIEVE THAT INSTEAD NOW RPT NOW OF CONCENTRATING
WITH SAUDIS OR OTHERS ON SHORT-TERM BAIL OUT TYPE FINANCIAL
ASSISTANCE WHICH AUB HAS REPEATEDLY ASKED FOR FROM MANY
SOURCES, WE WOULD BE BETTER ADVISED TO PLAY MORE ACTIVE (ALTHOUGH
DISCREET) ROLE THAN IN PAST. WE SHOULD USE OUR INFLUENCE WITH AUB,
INCLUDING OUR CONTACT WITH BOARD MEMBERS, TO GET THE MESSAGE
ACROSS THAT THE ULTIMATE FINANCIAL SALVATION OF THE SCHOOL LIES IN
ITS TRANSFORMING ITSELF INTO AN INSTITUTION WHICH DONORS WILL BE
WILLING AND EVEN EAGER TO SUPPORT BECAUSE IT MEETS THEIR NEEDS.
TRANSFORMATION OF AUB INTO SUCH DYNAMIC INSTITUTION WOULD BE OF
MUCH MORE VALUE TO USG AND MORE IN LINE WITH STATED OBJECTIVES
OF SECTION 214 THAN IS PRESENTLY CASE WHEN UNIVERSITY STRESSING
UNDERGRADUATE, LIBERAL-ARTS EDUCATION. (WE WOULD NOT SUGGEST
IT ABANDON UNDERGRADUATE TRAINING BUT THAT MORE EMPHASIS BE
PLACED ON GRADUATE LEVEL AREA.) SUCH TRANSFORMATION WOULD
STRENGTHEN CASE WITH CONGRESS, FOR CONTINUED FINANCING. IT SHOULD
ALSO MAKE IT EASIER FOR AUB (WITH USG SUPPORT) TO OBTAIN FINANCING
FROM ARAB GOVTS. AND OTHER NON-USG SOURCES.

6. AS SOON AS THERE IS INDICATION THAT AUB BOARD AND ADMINISTRATION
PREPARED MOVE IN THIS DIRECTION, IT MIGHT BE DESIRABLE CREATE
SMALL AD-HOC COMMISSION INCLUDING REPS OF AID, PRIVATE AMERICAN
FOUNDATIONS ACTIVE IN REGION SUCH AS FORD AND AFME, AND SELECTED
ARAB GOVTS. AND/OR SCHOLARS TO ASSIST AND ADVISE AUB ON PLANNING
ITS NEW FUTURE SO AS TO OPTIMIZE ITS ABILITY MEET AREA NEEDS. SUCH
A GROUP SHOULD BE WELL BALANCED BECAUSE HE WHO PAYS THE PIPER
STILL CALLS THE TUNE--ESPECIALLY IN THE MIDDLE EAST.
GODLEY

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